



# Republican Policy Committee

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September 10, 1998

## Why We Need the Dole-Kemp Economic Plan

President Clinton's tenure has produced the worst economic growth record in 50 years: real earnings have fallen and real income has stagnated while taxes have increased. President Clinton and his economists claim that the economy is doing well — perhaps so, if you compared it to a recession. America has done better, and America can do better.

### Economic Growth Record is the Worst in 50 Years

- Economic growth under President Clinton has averaged **only 2.4% per year**.
- That is **slower** than when he was elected in 1992 (3.7%);
- That is **slower** than the entire decade of the 1980s (3.2%);
- That is **slower** than the last five expansions (4.4%); and
- That is **slower** than the average since World War II (3.3%).
- Productivity growth — the source of rising incomes — is **only half the rate** (0.6 percent versus 1.2 percent) of the decade prior to Clinton's term.

(Sources: Joint Economic Committee, 1996 Economic Report of President and U.S. Department of Labor)

### Real Earnings Have Fallen and Real Incomes Have Stagnated . . .

- Real median weekly earnings have fallen 2.4% between 1993 and 1996. Recent data shows a decline from \$498 to \$486 per week — a yearly loss of \$624. (JEC)
- Real household income is lower today (by \$97) than when Clinton took office (between 1992-1994). (JEC)
- Even a recent study by the liberal-leaning Economic Policy Institute (EPI) found that wage stagnation has gotten worse since Clinton's tenure. The study found that:
  - ▶ Average hourly earnings have dropped nearly 3% from 1989 to 1995;
  - ▶ Median family incomes are 5.4 percent below 1989 levels;
  - ▶ In 1994, the most recent year for which income data was available, the median family income was \$39,881 — more than \$2,000 below 1989 levels.
- The EPI study also concluded that the "1990s have been marked by continued weakness even though the recession ended in early 1991." (Washington Post)

### **... While Taxes Have Increased**

- Candidate Clinton promised a “middle-class tax cut” in 1992, but President Clinton broke that promise by raising taxes \$275.6 billion — the largest tax increase in history.
- The total tax burden on a typical working family is a record-high 38 percent of that family’s income. (*Tax Foundation*)
- This year, taxpayers had to work until May 7 — the latest day ever for “Tax Freedom Day” — just to pay their taxes and begin working for themselves and their families. (*Tax Foundation*)

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